

**MINUTES OF THE MEETING OF THE  
UNIFORM COMMERCIAL CODE COMMITTEE  
OF THE BUSINESS LAW SECTION  
OF THE STATE BAR OF CALIFORNIA**

**Thursday, November 1, 2007  
(9:30 a.m. to 11:30 a.m.)  
Offices of Morrison & Forester  
(Los Angeles and San Francisco)**

The November 1, 2007 meeting of the Uniform Commercial Code Committee (the "Committee") was called to order at approximately 9:30 a.m., with Janice Kosel presiding.

**A. ADMINISTRATIVE MATTERS**

**1. Appointment of Secretary.** Patrick Costello agreed to serve as Secretary for the meeting.

**2. Roll Call/Attendance.** Please refer to the attendance sheet at the end of the minutes.

**3. Consideration/Approval of September 28, 2007 Meeting Minutes.** The minutes of the September 28, 2007 meeting were approved.

**4. Future Meeting Dates and Sites.**

a. December/January Meetings – to be held on the following dates via video conference at 9:30 a.m. in the San Francisco and Los Angeles offices of Morrison & Foerster, subject to confirmation of availability of videoconference equipment:

(1) Tuesday, January 8, 2008

(2) Tuesday, February 12, 2008

b. Future Meetings – to be discussed.

**5. Status of Applications to Committee.** Janice Kosel reported that there are no pending applications. Committee members were urged to consider new potential candidates for membership. Elliot Hinds was originally appointed to a short one year term. For 2008 he will serve as a special advisor to the Committee and will be eligible for appointment to a full term after the current membership year.

**6. Subcommittee Membership:** All Committee members were requested to review the Subcommittee roster and confirm the Subcommittees to which they belonged. Additional assistance and members were needed for the following subcommittees:

- Publications and Programs
- Legislation and Case Law Tracking

- A liaison is needed for the Cyberspace Committee

## **B. MAIN AGENDA ITEMS**

### **1. Letter to Assemblyman Ruskin Concerning Full Payment Check**

Patrick Costello reported that the memo on full payment checks from the September 28th meeting had been converted into a letter format and had been reviewed and commented on by Subcommittee members and, subject to Committee approval, was ready for transmittal to Executive Committee for review. The draft letter was approved for transmittal to the Executive Committee.

### **2. Hidden Liens Project**

Demetria Vong-Spillan reported on the status of the Hidden Liens Report. A number of holes remained in the report: the analysis of at least a half dozen liens had not been completed. The Subcommittee had not met recently and Demetria was attempting to coordinate a meeting. Kevin Cops supplemented Demetria's report by noting the gaps in the report were of two types:

(i) the analysis of certain liens had not been completed; and

(ii) the auditing of the lien analyses had not been completed.

Committee members discussed how the report would be disseminated and it was concluded that the report would be posted on the Committee's website rather than published as an article or series of articles. Janice Kosel proposed that the Subcommittee attempt to complete a portion of the liens (18 or 20 liens for example), and that this initial posting could then be supplemented.

Janice Kosel proposed that the goal should be to post a portion of the report within the first quarter of 2008 and that the Subcommittee should meet and provide a report on status and tasks to be completed at the next Committee meeting.

### **3. CCP 697.530**

Consideration of this agenda item was deferred in the absence of Rob Trodella.

### **4. Commercial Money Center**

Vasco Morais reported that the Subcommittee had been busy and had a number of meetings directed towards preparation of the letter to the PEB and related appendixes: Vasco Morais and the Subcommittee were commended on the preparation and quality of the letter and materials. The PEB was meeting on the following Monday.

**5. AB 1168.**

Janice Kosel reported that the legislation which deletes social security numbers for UCC filings was chaptered on October 13, 2007.

**6. Future Projects.**

Janice Kosel reported that Business Law Section retreat recently concluded had generated a variety of new ideas and proposals for increasing the marketing and the visibility of the Committee: these matters could be new projects for the Committee in the coming year.

The Committee's discussion of potential new projects included the following:

- (i) Compilation of Constituencies Lists. The Committee could compile lists of friends, colleagues and clients that could be included or email lists to receive notices of Committee activities and projects, etc.
- (ii) The Business Law News is in the market for articles. Some of the Committees project/work product might be suitable for conversion into an article for the publication -- as in the case with the Commercial Money Center and the debtor's names projects. Other potential candidates might include the Committee's work product on bogus filings and full payment checks.
- (iii) Joint Presentations with other Committees. For example, the Insolvency or the Agribusiness Committees were logical candidates for joint presentations. Mark Porter noted that November 8th was the cut off for live Bar programs, but that deadline was only for Bar programs and did not apply to joint presentations by committees.
- (iv) The Health Law Committee had sponsored an essay contest for law students that was very successful. The UCC Committee could do something similar.

The Health law Committee funded the prize money out of its own budget, but committee members suggest that sponsors could be solicited. The essay contest could be publicized to all California law schools.
- (v) The Committee should consider having a lunch following the Committee meeting to follow the official meeting with an informal social gathering.
- (vi) There was a distinct possibility of reviving the "Ask the Expert" proposal. Vasco Morais indicated that he would circulate the last version of the proposal.
- (vii) Wansun Song reported that Assemblymen Dutton and Ruskin were interested in reviving the "bogus filing" legislation. The bogus filing committee should

be revived in order to write a letter presenting the committee's concerns with such legislation. There was a need for prompt action because the assemblymen were going to move forward with legislation. The subcommittee was reestablished with the same membership as when decommissioned and other members short of a Subcommittee assignment were urged to join.

## **C. SUBCOMMITTEE AND OTHER REPORTS**

### **1. Legislative Tracking**

Edith R. Warkentine reported that no legislation warranting committee action had come to the attention of the Subcommittee. It was noted that the Subcommittee's preliminary assessment that the multiple bills circulating in Congress relating to subprime mortgages did not warrant monitoring by UCCC. Harry Sigman observed that it would be advisable to track those bills because while by and large the legislation should not affect the UCC, there was always the prospect that a provision could be slipped in that would have a material affect on subject matter within the Committee's purview. Committee members discussed the logistics of the Subcommittee tracking not only legislation but court decisions. If the Subcommittee is to track court decisions as well, a process must be developed for tracking case law.

### **2. Website Development**

Vasco Morais briefly reported on status of the Committee website.

### **3. Uniform Assignment of Rents Subcommittee**

Wansun Song reported that this subcommittee had been reactivated. The Uniform Act has been enacted in Nevada and was "in the pipeline" in Idaho. The principal matter of concern for the UCCC is the conflict with Div. 9: the Uniform Act provides that rights of party in control of proceeds trumps other secured creditors while Div. 9 provides for contrary result.

### **4. Deposit Control Agreements**

Karl Christiansen will schedule a subcommittee meeting but for present nothing to report.

### **5. Publications.**

Committee consideration deferred.

### **6. Liaison Subcommittee**

Mark Porter is Executive Committee liaison. Committee needs a liaison for Cyberspace Committee.

**7. BLS Model Opinion Project**

Kevin Cops reported that subcommittee activity is currently in a holding pattern.

**8. Debtors' Names**

Janice Kosel reports that the subcommittee has not met recently. The subcommittee has to meet and define its objectives.

**D. LIAISON UPDATES**

**1. Status Report from Executive Committee.** Mark Porter is new Executive Committee liaison: he reported that Executive Committee is putting an emphasis on maintaining and expanding membership and working on increasing revenues of BLS.

**2. Status Report from Insolvency Law Committee.** John Jay Bingham reiterated the Insolvency Committee's willingness to provide support for the Hidden Liens Project as well as its interest in getting the Committee's feedback on CCP 697.530 so that the Insolvency Committee could move forward on that matter.

\* \* \*

The meeting concluded at approximately 11:30 a.m.

Attendance at the November 1, 2007 Meeting:

Janice E. Kosel	Present
Wansun Song	Present
Edith R. Warkentine	Present
Patrick Costello	Present
Harry C. Sigman	Present
Ariel Berrios	Absent
Peter S. Burke	Absent
Karl H. Christiansen	Present
Kevin C. Cops	Present
Michael DuQuesnay	Present
Zachary S. Finley	Present
Elliott Hinds	Absent
George Kalikman	Absent
Sandra Lee Montgomery	Absent
Vasco H. Morais	Present
John C. Oehmke	Present
Theotis F. Oliphant	Absent
Robert Sherman	Absent
Jane K. Springwater	Present
Leila Tredemeyer	Absent
Robert A.Trodella, Jr.	Absent
Demetria Vong-Spillan	Present
Troy Zander	Present
Mark Porter (Ex Com Liaison)	Present
John Jay Bingham (Insolvency Law Committee liaison)	Present

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